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Chairman: Mr. Yousfi ..... (Algeria)
later: Mr. Mitsopoulos (Vice-Chairman) ..... (Greece)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Organization of work

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The meeting was called to order at 10.10 a.m.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Proposed programme budget outline for the biennium 2008-2009 (A/61/576 and A/61/615)

1. **Mr. Sach** (Controller), introducing the report of the Secretary-General containing the proposed programme budget outline for the biennium 2008-2009 (A/61/576), said that, in accordance with the provisions of General Assembly resolution 41/213, the Secretary-General was required to submit, in off-budget years, an outline of the programme budget for the following biennium containing a preliminary estimate of resources to accommodate the programme of activities, priorities reflecting general trends of a broad sectoral nature, real growth, positive or negative, compared with the previous budget, and the size of the contingency fund expressed as a percentage of the overall level of resources. The budget outline, which was not a preliminary programme budget, could do no more than attempt broad projections of resources. Later in the process, the budget would reflect detailed programming and requirements.

2. The first element of the outline, the preliminary estimate of resources, was based on the $3,798.9 million initial appropriation for 2006-2007, increased by resource requirements which the General Assembly had subsequently approved: $31.0 million for special political missions and for reform proposals, as appropriated in resolutions 60/281 and 60/283, and $9.6 million for commitments approved for the Human Rights Council and related additional accommodation in Geneva for the Office of the United Nations High Commissioner for Human Rights. The starting point for the biennium 2008-2009 was therefore $3,839.5 million, which must itself be adjusted to reflect various factors, including increases for the continuation of staff posts newly established in the current biennium ($31.5 million), deductions for one-time costs in the current biennium ($46.3 million), increases for new or expanded activities and other anticipated programme changes in the biennium 2008-2009 ($29.2 million) and increases in requirements for special political missions ($284.6 million). The components of the second element of the outline, priorities reflecting trends of a broad sectoral nature, coincided with the priorities in the proposed strategic framework for the biennium 2008-2009 (A/61/6, Progs. 1-20).

3. The third element of the outline, real growth relative to the previous budget, indicated that the preliminary estimate for the forthcoming biennium, $3,480.5 million excluding special political missions, represented an increase of $14.4 million, or 0.4 per cent, over the approved appropriations and related provisions for the current biennium. With the inclusion of the provisions required for special political missions, the total preliminary estimate of $4,138.5 million would represent an increase over the current biennium of $299.0 million, or 7.8 per cent.

4. Particular attention had been paid to the fourth element of the outline, the size of the contingency fund, expressed as a percentage of the overall level or resources. As potential charges had recently tended to exceed the sums available in the fund by some margin, a careful balance must be maintained in the forthcoming biennium between the level of real growth included in the budget outline and the level of the fund, while ensuring that all elements of the budget outline had the degree of predictability for which the General Assembly had aimed in its resolution 41/213.

5. Although the General Assembly, in its resolution 60/283, had authorized limited discretion in budget implementation, that decision implied no change in the provisions guiding the use of the contingency fund. While the level of the contingency fund should provide for the additional expenditure which it would be expected to support, action should also be taken to ensure that it was not exhausted before the start of the biennium to which it related. Accordingly, the Secretary-General recommended in his report (A/61/576) that the level of the fund should be adjusted upwards by 0.6 per cent, from 0.75 per cent to 1.35 per cent, or $55.9 million, for the biennium 2008-2009. The Committee should note that, as drawings on the contingency fund were subject to its approval item by item, an increase in the level of the fund did not mean that expenditure would reach that level. The Committee should also note that the proposed programme budget outline for the biennium 2008-2009 used 2006-2007 rates, and therefore contained no provision for inflation or currency fluctuations, which must be addressed when the proposed programme budget itself was prepared. Experience had shown that exchange rates for the time periods in question were difficult to predict reliably. However, inflation

adjustments could be more closely estimated, with preliminary calculations indicating that, assuming annual inflation of 2.8 per cent until 2009, an adjustment of approximately $235 million would be needed. The total preliminary requirements for the forthcoming biennium, adjusted for inflation but not yet for exchange-rate fluctuations, would be $4,373.5 million.

6. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee recommended that the General Assembly should adopt the proposed programme budget outline for the biennium 2008-2009 contained in the report of the Secretary-General (A/61/576). The outline amounted to $4,138.5 million expressed in initial 2006-2007 prices, and incorporated adjustments consequent on the first performance report for the biennium 2006-2007.

7. Recalling that the Secretary-General had also recommended that the level of the contingency fund should be increased, the Advisory Committee pointed out that, as the level of the contingency fund was determined as a percentage of the overall level of resources, the size of the fund increased with the size of the budget. As past experience had shown that the level of the fund had almost never been exceeded, the Advisory Committee recommended that the level of the fund for the biennium 2008-2009 should remain at 0.75 per cent, or $31 million.

8. **Ms. Valkama** (Finland), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Iceland, Liechtenstein, Moldova, Norway and Ukraine, said that the European Union, the largest collective contributor to the Organization's budget, remained committed to providing the resources needed to carry out mandated activities. The outline omitted some major components which the Fifth Committee would probably need to take into account by the time it considered the proposed programme budget for 2008-2009.

9. The budget increase of almost $1 million in four years presented a challenge. Believing that the Secretary-General and the Member States must continue to concentrate and redeploy resources in accordance with the priorities established by the General Assembly, the European Union welcomed the assurance contained in paragraph 9 of the report of the Secretary-General (A/61/576) that budget proposals would reflect the benefit of further reviews of possible obsolete activities, additional cost-effective measures and simplified procedures. Having noted the recommendations of the Advisory Committee, the European Union looked forward to discussing the budget outline further in informal consultations.

10. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group had understood that the proposed programme budget for the biennium 2008-2009 could be higher or lower than the proposed programme budget outline, and had noted in that connection that the General Assembly was considering a number of proposals and reports that could result in the sum being higher. Before the inclusion of special political missions, the proposed programme budget outline represented a modest 0.4 per cent increase over the appropriations approved for the current biennium. In the proposed outline, only activities relating to political affairs, security and human rights accounted for significantly higher expenditure than in the current biennium, with resources for special political missions rising substantially.

11. Pursuant to General Assembly resolution 41/213, the proposed budget outline must indicate the priorities of the Organization. Recalling that the resources which the General Assembly approved should be commensurate with all mandated programmes and activities and ensure their full implementation, the Group wished to point out that regular budget provisions for the development agenda had not grown in real terms.

12. In 2003 and 2005, the General Assembly had been forced to take steps to prevent the contingency fund from being exhausted even before the bienniums concerned began. Believing that that untenable situation must be addressed, the Group supported the recommendation of the Secretary-General for an increase in the level of the fund. Moreover, it had repeatedly expressed its concern that the Secretary-General was increasingly expected to finance new activities and mandates from within existing resources. The Member States must recognize that there was a limit to what could be achieved through cost reduction and moving funds from one activity to another before

the implementation of individual programmes and ultimately the overall work of the Organization suffered. According to information from the Secretary-General, by calling on the Secretariat to absorb the costs of new mandates arising during the course of a biennium, the Member States were undermining the funding mechanism envisaged when they had established the Development Account in 1997.

13. The role of the Fifth Committee in administrative and budgetary matters must be respected. The Bureau should repeat its past written reminder to other Main Committees to adhere to rule 153 of the rules of procedure of the General Assembly and a number of General Assembly resolutions reaffirming the role of the Fifth Committee, and therefore to desist from using the phrase "within existing resources" in their resolutions.

14. Finally, the Group was concerned at the link which the Advisory Committee had made between the level of the contingency fund and the limited discretion which the General Assembly had granted to the Secretary-General, on an experimental basis, in its resolution 60/283 (A/61/615, para. 9). As the resolution had emphasized, the purpose of that discretion was to meet the evolving needs of the Organization, rather than to address the needs for which the General Assembly had created the contingency fund, that is, to accommodate additional expenditure derived from legislative mandates not provided for in the proposed programme budget. As a result, the Group welcomed the clarification just provided by the Controller. However, it was alarmed by intentional or unintentional reinterpretation of General Assembly resolutions, and urged the Advisory Committee to ensure that it did not overstep its technical mandate. The Secretariat, meanwhile, must adhere strictly to the provisions of General Assembly resolution 60/283.

15. **Ms. Shah** (United States of America) said that her delegation was concerned about the continued growth of the regular budget and disappointed that the Secretary-General had been unable to identify ways of offsetting the increase. Its goal should always be to achieve zero overall growth. The proposed programme budget outline for the biennium 2008-2009 represented an increase of almost $300 million over the appropriations approved by July 2006 for the current biennium, without taking account of certain items which might be included in the proposed budget for 2008-2009. With most of the increase stemming from the rising cost of special political missions, the relationship between those missions and other United Nations activities in the same country or region should be reviewed to seek further rationalization and synergy.

16. Her delegation did not believe that the recommendation of the Secretary-General to raise the level of the contingency fund was sufficiently justified, and therefore agreed with the views of the Advisory Committee on that issue. The Secretary-General should make full use of regulation 5.6 and rule 105.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME), as the Organization must have an ongoing review of outputs and activities to determine which were obsolete, of marginal usefulness or ineffective. Such an approach would ensure that the Organization's scarce resources were used efficiently and effectively and targeted on high-priority programmes which produced results.

17. **Mr. Kozaki** (Japan) said that his delegation had been surprised to see that, following the programme budget totals of $3,160.9 million in 2004-2005 and $3,798.9 million in 2006-2007, the proposed programme budget outline for the biennium 2008-2009, before adjustments for inflation, already stood at $4,373.5 million, or 38 per cent higher than the total for 2004-2005. The increase in the programme budget did not appear to be connected to any increase in the impact and relevance of the Organization's activities, but rather to be caused by a failure to redeploy resources and discontinue irrelevant, marginally effective and obsolete activities through rigorous application of regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

18. His delegation's approach to the proposed budget for the next biennium was to aim for zero nominal growth, which was a useful concept in enforcing efficiency through prioritization and redeployment of resources. He recalled that, while the proposed programme budget outline for the biennium 2006-2007 had ostensibly represented the equivalent of zero real growth, requirements had grown significantly later on, bringing the actual programme budget to $3,798.9 million. As special political missions caused the programme budget to grow rapidly, the Committee should seriously consider financing them in accordance

with the scale of assessments for peacekeeping missions. That would reflect their origins in a Security Council mandate and the permanent members' special responsibility — particularly financial responsibility — for maintaining international peace and security.

19. His delegation could not accept, and was alarmed by, the Secretary-General's recommendation to increase the level of the contingency fund. In addition to affecting the core of General Assembly resolution 41/213, whose mechanisms were intended to control budget growth by prioritizing the Organization's activities within the resources available, it would surely lead to further rises in expenditure. Also recalling the Secretary-General's numerous statements of programme budget implications, pursuant to rule 153 of the rules of procedure of the General Assembly, his delegation was concerned at the tendency of the Organization's legislative bodies to create additional mandates without due regard for the important issue of prioritization. While the Secretariat seemed committed to making every effort to absorb new requirements within existing resources, rather than charging them to the contingency fund, his delegation also noted the intention of the Secretariat, when necessary, to report additional expenditure to the General Assembly in the context of the financial performance reports.

20. While appreciating the Secretary-General's attempts to ensure that additional resource requirements were absorbed, his delegation wondered whether the Secretariat was employing such methods to avoid the mechanisms set out in annex I, section C, paragraph 9, of General Assembly resolution 41/213 and section C, paragraph 6, of the annex to General Assembly resolution 42/211. He feared that insufficient effort would be made to absorb costs through redeployment of resources and prioritization of activities, leading to the use of additional resources and requests for additional appropriations. That could constitute a departure from proper budgetary procedures and therefore a lack of budgetary discipline.

21. Moreover, such an approach could result in too little accountability, because financial performance reports were usually submitted to the Fifth Committee very late in the General Assembly session, leaving less than adequate time for their consideration. That had certainly been the case in December 2006, much to the concern of his delegation. While the performance reports must contain the most up-to-date information, their late issuance made it difficult for Japan and other Member States to incorporate additional assessments into their budgetary processes. Japan wished to reiterate its position that additional resource requirements should be absorbed within existing resources through redeployment and prioritization. If, despite such efforts, they could not be absorbed, the costs should be treated as charges against the contingency fund, in strict accordance with the relevant provisions of General Assembly resolutions 41/213 and 42/211.

22. Aware that some of the estimated expenditure in the programme budget for the biennium 2008-2009 was included in statements of programme budget implications made by the Secretary-General pursuant to rule 153 of the rules of procedure of the General Assembly, and aware that such information was in keeping with the need to provide Member States with transparent information, his delegation emphasized that such statements should in no way prejudge the outcome of consideration of the programme budget for the forthcoming biennium. Rather than viewing those estimates as additional to the current level of resource requirements, it would request the Secretary-General to exercise his leadership to control expenditure for the biennium by applying regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation before he submitted his proposals to the General Assembly.

23. **Mr. Taula** (New Zealand), speaking on behalf of Canada, Australia and New Zealand (CANZ), expressed support for the concept of a programme budget outline, as set out in General Assembly resolution 41/213, since it strengthened the budget process by increasing its predictability. The CANZ delegations acknowledged that the outline was a preliminary estimate. The outline for 2008-2009 presented a relatively modest picture of growth compared with the current biennium. However, that picture masked some important factors. First, growth was calculated on the basis of revised estimates for 2006-2007, not on the basis of the budget level at the starting point of the biennium. For example, the current outline figure was 25 per cent higher than the figure presented two years previously. Second, taking account of inflation and other factors which were not included in the outline calculation, the final budget figures for 2008-2009 were likely to be significantly higher than those presented in the outline.

24. The CANZ delegations were concerned about the growth in the budget over recent years. The Organization had had to deal with important new challenges and responsibilities. However, as demands on limited overall resources continued to grow, budget discipline and the strengthening of results-based budgeting and management processes had taken on even greater importance. Member States, together with the Secretary-General, must do their best to ensure that decisions about the resourcing of the Organization promoted overall effectiveness and efficiency. Lastly, the CANZ delegations would be examining carefully the Secretary-General's request to increase the level of the contingency fund, as they were not convinced at the current stage that such an increase was justified.

25. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) reiterated that past experience had shown that the level of the fund had almost never been exceeded, the only exception to that pattern having occurred during the current biennium as a result of activities related to the implementation of the 2005 World Summit Outcome, as mentioned in footnote 2 to the Advisory Committee's report (A/61/615). He requested the Secretariat to provide Committee members with figures relating to the size and utilization of the fund for the last eight bienniums. He also drew attention to footnote 3 to the report, which made it clear that the Advisory Committee was fully cognizant of the General Assembly's wishes as set out in resolution 60/283. It was now for the General Assembly to decide what course of action to take.

26. **Mr. Sach** (Controller) said that the methodology used to calculate growth was a standard one that had been used for the past 20 years.

27. With regard to programme budget implications and their relationship with new resource requirements for the forthcoming biennium, he said that, at the current session, as at previous ones, requirements had been systematically reviewed against the ability to absorb costs wherever possible, and additional funds had been sought only where implementation of a new mandate would be prejudiced without receipt of such funds. For the biennium 2008-2009, there was a requirement for programme budget implications to be taken into account with regard to new mandates approved at the current session.

28. The financial performance report had not been issued late, as had been suggested. It was usually issued at the end of November at the earliest or at the beginning of December.

29. With regard to the suggestion that special political missions should not be included in the regular budget, he said that the Secretary-General had on previous occasions made a proposal to that effect, which had been considered but not approved by ACABQ and the Fifth Committee. However, if Member States were interested in pursuing the idea of separate funding for such missions, the Secretariat would welcome it.

30. The proposal to increase the level of the contingency fund was driven by the experience of recent years. In the bienniums 2000-2001 and 2002-2003, the amounts charged against the contingency fund had either reached or almost reached the limit set. The level of the fund for the current biennium was $27.2 million, and $26.4 million of that sum had already been committed. Moreover, another $48 million that would normally have been charged against the fund had been approved in the current biennium in relation to the 2005 World Summit. That situation reflected the constant strain on the contingency fund when the level was set at 0.75 per cent. It had therefore been proposed that a more realistic level of 1.35 per cent should be applied in future so as to ensure that the fund remained an effective instrument and to ensure predictability in budget levels, which was the aim of General Assembly resolution 41/213.

31. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, asked for the information just provided by the Controller be circulated to members in writing. It might also be useful to know what kind of sum the General Assembly usually tried to absorb when additional resource requirements arose at a time when the contingency fund was almost depleted.

32. She welcomed the clarification provided by the Chairman of the Advisory Committee to the effect that the Advisory Committee's recommendation to maintain the level of the contingency fund at 0.75 per cent was based on only two factors: the fact that the level of the fund increased with the size of the budget and the fact

that the level of the fund had almost never been exceeded. In that context, the Group did not understand why paragraph 9 of the Advisory Committee's report implied that the limited discretion for budgetary implementation granted to the Secretary-General, as set out in General Assembly resolution 60/283, had been a third reason for the Advisory Committee's recommendation. References to General Assembly resolutions and decisions should not be made out of context, particularly when those resolutions or decisions had been the subject of difficult negotiations leading to a carefully balanced outcome. Despite the clarification provided by the Chairman of the Advisory Committee, the Group could not endorse paragraph 9 as it stood. If there was any confusion on the issue, it would have to be addressed in a resolution.

33. *Mr. Mitsopoulos (Greece), Vice-Chairman, took the Chair.*

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/C.5/61/L.12)

Draft resolution A/C.5/61/L.12: Financial reports and audited financial statements, and reports of the Board of Auditors

34. *Draft resolution A/C.5/61/L.12 was adopted.*

Agenda item 120: Administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency (*continued*) (A/C.5/61/L.7)

Draft decision A/C.5/61/L.7: Budgetary and financial situation of the organizations of the United Nations system

35. **Mr. Abelian** (Secretary of the Committee) drew attention to a technical correction to draft decision A/C.5/61/L.7.

36. *Draft decision A/C.5/61/L.7, as orally revised, was adopted.*

Agenda item 144: Financing of the United Nations peacekeeping forces in the Middle East

(b) United Nations Interim Force in Lebanon (A/60/986; A/61/588 and A/61/616)

37. **Mr. Sach** (Controller), introducing the report of the Secretary-General on the financing of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2006 to 31 March 2007 (A/61/588), said that the Security Council, by its resolution 1701 (2006), had authorized an increase in the force strength of UNIFIL to a maximum of 15,000 troops. By the same resolution, the Council had extended the mandate of UNIFIL until 31 August 2007 and had decided that, in addition to carrying out its mandate under resolutions 425 (1978) and 426 (1978), the Force would monitor the cessation of hostilities, support the deployment of the Lebanese armed forces and support the Government of Lebanon in securing its borders and entry points.

38. Given the rapid reinforcement and expansion of UNIFIL, the continuing deployment of its personnel, including senior management and substantive staff who must be involved in the preparation of the results-based budgeting framework for the Force, and the time required for the determination of the Force's full resource requirements for 2006/07, as well as for the legislative review of the Force's frameworks and resource requirements, the new budget for UNIFIL for the period from 1 July 2006 to 30 June 2007 would be submitted to the General Assembly at the first part of its resumed sixty-first session in 2007.

39. Pending submission of the new budget, including the results-based frameworks, the report contained a request for commitment authority with assessment for the period from 1 July 2006 to 31 March 2007 in the amount of $263,364,200. That amount included the amount of $50 million previously authorized by ACABQ to meet the most immediate requirements of the Force. The commitment authority request provided for the projected deployment of 14,023 military contingent personnel, 390 international staff and 688 national staff by 31 March 2007.

40. Since the expansion of UNIFIL had been unforeseen, the existing staffing capacity of the Department of Peacekeeping Operations (DPKO) would be insufficient to provide the immediately required support. The commitment authority request included requirements for 55 general temporary assistance positions at Headquarters, comprising 4 positions in the Strategic Military Cell, 39 positions in DPKO and 12 positions in the Department of Management, and for a number of field positions for the provision of operational, administrative and logistic support, as well as their related non-staff requirements.

41. The action to be taken by the General Assembly was set out in paragraph 52 of the report.

42. **The Chairman** drew attention to a letter dated 17 August from the Secretary-General addressed to the President of the General Assembly (A/60/986).

43. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of the United Nations Interim Force in Lebanon for the period from 1 July 2006 to 31 March 2007 (A/61/616), said that, in the report, the Advisory Committee once again expressed its view that requests for commitment authority with assessment represented a departure from good budget practice. Commitment authority should be used as a short-term funding bridge mechanism pending the timely submission of fully detailed and justified budgets. The presentation of de facto budgets in connection with requests for commitment authority should be avoided. The Advisory Committee's detailed analysis of the financing of UNIFIL would be presented at a later stage, when ACABQ reviewed the revised budget for UNIFIL, including results-based frameworks, for the period 2006/07. However, the Committee had made a number of observations and recommendations that should be taken into account in future budget submissions.

44. With regard to the proposal to establish additional general temporary assistance positions for backstopping at Headquarters, the Committee pointed out in paragraph 13 of its report that the cost of providing such support should not be charged, even temporarily, to the budgets of peacekeeping operations. Nonetheless, bearing in mind the significant expansion of UNIFIL and its impact on backstopping at Headquarters, the Advisory Committee recommended that commitment authority equivalent to half of the amount corresponding to the requested 51 general temporary assistance positions should be approved to meet the surge capacity requirements for the support account. Actual requirements should be reflected in the performance report for the support account for 2006/07.

45. No United Nations Volunteers were included in the proposed staffing for UNIFIL, and the next budget should provide information on their possible use. Moreover, the average grade level of national staff used for cost estimates appeared to be quite high. The next budget submission should reflect the grade level of national staff that was more commonly used in the computation of cost estimates for other peacekeeping operations.

46. With regard to construction projects and the rental of office space for UNIFIL, all suitable options should be studied and a cautious approach should be taken. The acquisition of information technology equipment for additional personnel at Headquarters should also proceed with caution, pending a determination of exact requirements for backstopping to be provided to UNIFIL at Headquarters.

47. The Advisory Committee recommended that the General Assembly should authorize the Secretary-General to enter into commitments in a total amount of $260.9 million, of which 50 per cent should be assessed for the period from 1 July 2006 to 31 March 2007. The Secretary-General could request a further assessment should the need arise.

48. **Mr. Sach** (Controller) expressed concern about the Advisory Committee's recommendation that the General Assembly should approve assessment of only half of the appropriation sought for UNIFIL, which was already facing a serious cash-flow problem. At the current stage, troop reimbursements for September and October should already have been paid, with those for November and December to follow shortly. In fact, reimbursements had been paid only for July and August. As at 30 November, 10,724 troops had been deployed, but the budget provision covered only 8,845. Anything less than the full assessment would exacerbate the situation and make the deployment of the mission more difficult. Even if payments against outstanding assessments were made on time, the ability to provide reimbursements would not be restored until March 2007.

49. With regard to the Advisory Committee's recommendation that commitment authority equivalent to half of the amount corresponding to the requested 51 general temporary assistance positions should be approved, he said that the deployment process had moved on since the initial amount of $50 million had been authorized, and 36 people had already been taken on at Headquarters. It would not be possible or useful at the current stage to reduce the number of general temporary assistance staff at Headquarters.

50. Noting that concern had been expressed about the absence of a full budget for UNIFIL, he said that timelines were determined by events on the ground and by any action taken by the Security Council. It was not

possible to present a fully justified budget for an expanded mission at the current stage. Such a budget would be presented in spring 2007. However, the needs of the mission were real, and the ACABQ recommendations did not seem adequate to fulfil them.

51. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, while he had taken note of the concerns expressed by the Controller, the Secretary-General could, should the need arise, request a further assessment. The figures cited by the Controller should be circulated to the Fifth Committee and ACABQ as soon as possible, since they seemed to differ from those originally provided.

52. **Mr. Raivio** (Finland), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Iceland, Moldova, Norway and Ukraine, expressed his full support for the United Nations Interim Force in Lebanon. In that connection, the establishment of the Strategic Military Cell at Headquarters was a particularly important step.

53. The European Union stood ready to provide the Secretary-General with all the necessary resources to ensure the fulfilment of UNIFIL's expanded mandate. It had taken careful note of the differences between the Secretary-General's proposal and the Advisory Committee's report, and would be seeking further clarification in informal consultations. Since the Secretary-General's proposal related only to a commitment authority, more detailed information should be provided in the context of the proposed budget for UNIFIL for 2006/07. One important element of that budget would be the requirements relating to the Maritime Task Force, and he hoped that an agreement between the United Nations and those countries contributing maritime resources would be reached before the Fifth Committee took up the relevant proposals.

54. **Mr. Poulin** (Canada), speaking on behalf of the CANZ group of countries (Australia, Canada and New Zealand), said that the rapid deployment of UNIFIL peacekeepers to southern Lebanon proved that efforts to improve the Organization's capacity to respond to emergent situations were bearing fruit.

55. The CANZ group supported the Advisory Committee's observation concerning the use of commitment authority with assessment, and hoped that that approach would not become standard practice. The group also endorsed the remarks contained in paragraph 7 of the Advisory Committee's report.

56. The proposal to provide the Lebanese Armed Forces with fuel and rations was unusual, and the Secretariat should explain the rationale behind it and indicate whether any precedent existed. The proposed establishment of a Strategic Military Cell at Headquarters was also a departure from the established structure and practices of the Secretariat. While the CANZ group supported efforts to enhance the military function of the Department of Peacekeeping Operations, that particular proposal raised various administrative questions which should be further clarified by the Secretariat.

57. He was in favour of creating additional positions to augment backstopping capacity at Headquarters: in the light of the current surge in peacekeeping, the Department of Peacekeeping Operations should be strengthened to ensure that all operations were properly managed. However, the necessary financial resources should be drawn from the support account for peacekeeping operations for 2006/07 and reported in the context of the relevant performance report.

58. Lastly, referring to the Advisory Committee's recommendation to reduce the level of assessment, he would be grateful for the Secretariat's views on the practical impact of such a reduction on the operations and cash-flow situation of UNIFIL.

59. **Mr. Ibrahim** (Qatar) said that Israel's war against Lebanon had led to a serious deterioration in the humanitarian situation in that country. Following the adoption of Security Council resolution 1701 (2006), the mandate of UNIFIL had been considerably expanded, and further financial resources were therefore required. The Advisory Committee had already authorized an additional $50 million to meet the immediate and essential expansion requirements of the Force and had asked the Secretary-General to submit a full budget for the period ending 31 March 2007.

60. The expansion of UNIFIL necessitated an immediate and significant augmentation of the support

infrastructure and sustainment capabilities of the existing operation. Accordingly, the Secretary-General had pointed to the need for the Secretariat to exercise a degree of flexibility in the application of administrative policies and procedures designed to implement the provisions of resolution 1701 (2006). Qatar supported the request for additional requirements for the period 1 July 2006 to 31 March 2007 set out in the Secretary-General's report and endorsed by the Advisory Committee in paragraph 23 of its report. It did not object to granting the Secretary-General, on a temporary basis, the necessary authority to ensure the implementation of UNIFIL's new mandate, thereby preventing the resumption of hostilities and further loss of life.

61. **Mr. Traystman** (United States of America) recognized that the surge in peacekeeping had placed a strain on the Organization. However, the new and ongoing challenges in that area necessitated stronger management, more efficient and effective implementation of mandates and greater accountability. Accordingly, the Secretariat must take extra care to ensure that resource requests were fully justified.

62. It was regrettable that the request currently before the Committee was not supported by the detailed information usually provided in a full budget submission and did not appear to have been prepared with the appropriate level of scrutiny. Like the Advisory Committee, he took the view that the routine use of commitment authority with assessment was a departure from good budgetary practice, and he therefore called on the Secretariat to apply the budget discipline required for the submission of proper budgets for the financing of all peacekeeping operations. There was a continued tendency to ask for more money than was needed, which meant that it fell to the Fifth Committee to determine the real requirements for the implementation of particular mandates.

63. In that connection, he drew attention to the request for funding for quick-impact projects. According to the definition agreed upon by the Committee, such projects consisted of small-scale operations designed to aid the local population and to create and sustain confidence in and support for new peacekeeping missions. They were to be authorized and implemented during the first two years of a mission's existence. UNIFIL had been in existence since 1978 and, notwithstanding its expansion, there was no justification for including funding for quick-impact projects in the request for commitment authority. The need for such funding should be reviewed during the Committee's consideration of the full budget submission for UNIFIL in the context of an analysis of potential overlaps between quick-impact projects and programmes undertaken by country team partners in Lebanon.

64. The Secretariat's request for general temporary assistance positions to reinforce planning and backstopping capacity at Headquarters also lacked clarity and precision. In the light of the fact that UNIFIL was nearing full deployment, he agreed with the Advisory Committee that commitment authority equivalent to half of the amount corresponding to the requested 51 general temporary assistance positions should be approved. The continuing need for backstopping at Headquarters should be fully justified in the proposed budget for the support account for peacekeeping operations for 2007/08. Since starting up or expanding missions between budget cycles could place a strain on resources usually provided through the support account, an institutionalized process to deal with those needs on an interim and longer-term basis should be developed.

65. Lastly, while it was appropriate for UNIFIL to assist the Lebanese Armed Forces, Member States were not in a position to authorize funding for fuel support. Before UNIFIL's budget was prepared, the nature and extent of any proposed support for the Lebanese Armed Forces should be clarified. The United States took the view that material support for any country's armed forces should not be provided through peacekeeping budgets, and it stood ready to channel requests for such support from the Lebanese Armed Forces to regional capitals. However, in order to move forward, the Fifth Committee should delete the requested funding from the budget proposal.

66. **Mr. Kozaki** (Japan) said that it was clear from the remarks made by the Controller and the Chairman of the Advisory Committee that the precarious cash-flow situation of UNIFIL was attributable to the late submission of the request currently before the Committee. He echoed the Advisory Committee's concerns about the lack of proper justification for funding requests and the excessive use of commitment authority with assessment. The approval of such authority at the present time in no way implied approval of the structure and resource levels of

UNIFIL, nor did it prejudge the outcome of future consideration of the mission's budget.

67. His delegation supported the revised level of assessment recommended by the Advisory Committee. As far as backstopping capacity at Headquarters was concerned, the Secretariat should make use of vacant positions and existing funding for general temporary assistance to meet the expanded requirements of UNIFIL, pending a detailed discussion of the issue in the context of the budget for the support account for peacekeeping operations for 2007/08.

68. He was cautious about the proposed provision of $1.8 million for petrol, oil and lubricants to support the Lebanese Armed Forces and had a number of questions concerning the administrative aspects of the Strategic Military Cell and the justification for other extraordinary measures proposed by the Secretary-General. Lastly, the request for $500,000 for quick-impact projects was puzzling, since it represented a clear departure from legislative agreements on that issue.

69. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) reiterated his request that all additional information concerning the cash-flow situation and operational status of UNIFIL should be circulated to the Fifth Committee to facilitate the decision-making process.

70. **Mr. Sena** (Brazil), supported by **Mr. Torres Lépori** (Argentina), expressed surprise at the comments made on the subject of quick-impact projects, which seemed to overlook the provisions of section VIII of General Assembly resolution 60/266.

71. **Mr. Ng'ongolo** (United Republic of Tanzania) expressed full support for UNIFIL. He was concerned about its precarious financial situation and therefore took the view that the Secretary-General should be provided with the resources required to expand the mission and to bolster the confidence of potential troop contributors.

72. **Mr. Sach** (Controller) said that he would provide updated and detailed information on UNIFIL's troop strength, which had almost doubled in the past two months, and on the payment of assessments. The fragile cash-flow situation of UNIFIL was clearly affected by the level of unpaid assessments which, as at 15 November 2006, had stood at some $67 million.

Organization of work

73. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, said that she would be grateful for guidance from the Chairman on how the Committee should proceed with the consideration of the outstanding items on its agenda.

74. **The Chairman** took note of the request made by the representative of Nigeria.

The meeting rose at 12.10 p.m.